

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
Room S220, Senate Building, State Capitol Complex
January 21, 2009**

Members Present: Sen. Jon J. Greiner, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Sen. Scott D. McCoy
Rep. Douglas C. Aagard
Rep. Richard A. Greenwood
Rep. Steven R. Mascaro
Rep. Curtis Oda
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley

Members Absent: Pres. Michael G. Waddoups

Staff Present: Gary Ricks, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Carrie Griffith, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Greiner called the meeting to order at 10:23 a.m.

MOTION: Sen. McCoy moved to approve the minutes of the January 12, 2009 meeting. The motion passed unanimously with Rep. Aagard absent for the vote.

As a follow-up from the January 12, 2009 meeting, each department was given the opportunity to address the Subcommittee to give a general overview and offer solutions on how to attain the proposed FY09 7.5% and FY10 15% budget reductions within their departments.

Attorney General

Kirk Torgensen, Deputy Chief, accompanied by Werner Haidenthaller, Budget Director, addressed the Subcommittee. A handout describing the Office's base budget, a breakdown of FTE personnel by Division, and a breakdown of the budget by Division was distributed and discussed by Mr. Haidenthaller. He stated that a 15% reduction would be impossible in the Office without a RIF and expressed concern at the loss of personnel.

Mr. Torgensen and Mr. Haidenthaller responded to questions raised by Subcommittee members regarding how budget cuts would impact the Agency, restitution for the State from fraud cases and how the State would be impacted by losing personnel. Mr. Torgensen asked the Subcommittee to give their Office the utmost flexibility in how they decide to cut the budget.

Board of Pardons

Curtis Garner, Chairman, accompanied by Clark Harms, Vice Chairman, distributed and discussed a handout detailing the duties and responsibilities of the Board, which in a nutshell is that they decide who gets out of prison and on what conditions.

Other items on the handout showing budget information was discussed by Mr. Harms. He stated the Board is comfortable with the Analysts recommendations but wanted to note that the proposed elimination of the Pilot Drug Board Program for FY10 will require a Statutory change. He has drafted and submitted to the Analysts the necessary change in language that will include the Board of Pardons, Department of Corrections and Department of Human Services.

Mr. Harms responded to questions raised by Subcommittee members regarding early release, bed space and other issues.

Department of Corrections

Tom Patterson, Executive Director, accompanied by Mike Haddon, Deputy Director, explained ongoing issues they've identified since the January 12, 2009 meeting. He expressed concern in dealing with the proposed DORA budget reduction, jail contracting, shifting bed space and transportation costs. He suggested reducing the contract rate for beds from \$45 to \$36 per day, but stated that may require a statutory change.

Mr. Patterson also stated jail reimbursement has little to do with Corrections and does not benefit the Department. An in-depth discussion ensued regarding jail reimbursement vs. jail contracting.

Mr. Patterson responded to questions raised by Subcommittee members.

Governor

Sandy Naegle, Financial Manager, accompanied by Dave Walsh, Budget Analyst, distributed a handout and described the Governor's budget proposal, stating they tried to take a balanced approach by not taking everything from agencies, through bonding for building and roads, agency cuts, or use of some of the rainy day funds.

Ms. Naegle requested that the Subcommittee give the Office some flexibility with the Governor's three major line items: CCJJ, the Governor's Office, and GOBP.

Referring to the last page of the handout, Mr. Walsh explained the comparison charts on workload measures from FY04 through FY08. He also stated the proposed cuts for the Sexual Exploitation of Children Prevention Grant Program would be acceptable, acknowledging that

although it would reduce some of the Grant money that goes to the programs, they have become more efficient in how to use those monies.

Christine Mitchell, Director of Research and Data, CCJJ, distributed a handout summarizing the results they've found on DORA. Since DORA is still a pilot program, she stated it's still too early to know for certain what impact the program has had on long-term criminal reduction or recidivism. A chart on the handout showed the projection of future cost avoidance, which would positively affect society in cost savings, but not show savings from a governmental standpoint.

Several Subcommittee members expressed concern at eliminating DORA, stating that the government's primary responsibility is to society. Ms. Mitchell responded to questions raised by Subcommittee members.

Sen. Greiner recessed the meeting at 12:07 p.m.

The Session reconvened at 2:08 p.m.

Sen. Greiner called the meeting to order.

The Departments that did not have an opportunity to be heard in the morning meeting were asked to address the Subcommittee.

Treasurer

A handout was distributed to Subcommittee members showing workload growth in the State Treasurer's Office over the past five years.

Richard Ellis, State Treasurer, accompanied by Jason Nielsen, Financial Manager, briefly described the programs duties and responsibilities of the Office, stating their greatest concern is to be able to maintain adequate internal controls and separation of duties over their cash handling and accounting procedures. Mr. Ellis also stated the Money Management Council and staff is vital to their Office, as well as investment decision subscriptions.

Mr. Ellis requested that the Subcommittee give some discretion on how to handle the budget cuts, whether through furloughs, eliminating current expenses, unclaimed property, dedicated credits, or other areas rather than giving up 3 FTEs.

Utah Sheriffs' Association

Reed Richards, Public Affairs Director, was invited to address the Subcommittee and answer questions regarding the impact of budget reductions in jail reimbursement.

Courts

Dan Becker, State Court Administrator, accompanied by Myron Marsh, Deputy Court Administrator, showed a power point presentation detailing (1) what the Courts have done to date, (2) what the proposed cuts mean for the Courts and the public, and (3) the proposed solutions.

Mr. Becker informed the Subcommittee they have already implemented a hiring freeze, cut programs, travel, and equipment and also reduced the contract and lease budget. He also stated that the judicial branch performs a core function of government. He expressed concern that the depth of the reductions being proposed would severely compromise the ability of the judicial branch to carry out that role and would have an adverse impact on public safety and economic recovery.

Some budget cut solutions were offered by Mr. Becker including extending the hiring freeze to include judges, implementing a furlough for all employees, increase spending limits on restricted accounts, and address a Guardian Ad Litem (GAL) reduction. He also suggested increasing civil filing fees, which would raise revenue. He stated Senator Bell has agreed to run this as a Bill through legislation.

Questions were raised by Subcommittee members and answered by Mr. Becker.

Guardian Ad Litem (GAL)

Rick Smith, Director, accompanied by Keith Kelly, Chairman GAL Oversight Committee, distributed and discussed a handout detailing the duties and responsibilities of GAL, commenting that they perform an essential function in representing neglected and abused children in the court. He noted that GAL is a separate line item within the Courts budget but is treated separately for appropriations purposes.

Mr. Kelly indicated they have several concerns, including case overload for attorneys and high turnover because of low pay. He suggested that GAL be kept separate from the office of the Courts.

Juvenile Justice Services

Dan Maldonado, Director, accompanied by Rick Platt, Administrative Services Director, distributed and discussed a handout which described the impact the proposed budget reductions would have on the Department. He expressed concern that the elimination of some of the Centers would reduce public safety by causing early releases, increase transportation costs, reduce staff and juvenile safety by requiring double bunking, tie up law enforcement agencies, and many

other issues. He asked the Subcommittee to treat these concerns with the gravity it deserves. The last page of the handout shows recidivism data on sex offenders within the system for the past year.

Mr. Maldonado responded to questions raised by Subcommittee members.

Department of Public Safety (DPS)

Col. Lance Davenport, Superintendent Utah Highway Patrol, accompanied by Joe Brown, Administrative Service Director, expressed willingness to do their part in dealing with budget reductions, acknowledging any reductions will have an impact on their ability to provide the services the citizens need. Handouts describing workload increases and the public's cost of losing UHP troopers was distributed.

A handout detailing DPS's response to the Fiscal Analysts proposed reductions was distributed and briefly discussed by Mr. Brown. The handout details the Department's versus the Analysts recommendations and include personnel reduction, elimination of the Aero Bureau program, test kit reduction, increasing fees under BCI, and other areas. It was noted the Department would rather eliminate the Aero Bureau program than lay off 15 troopers.

Col. Davenport and Mr. Brown responded to questions regarding the Aero Bureau program, money owed on leases, BCI application fees, workload increases, and the cost of losing troopers. Subcommittee members thanked the Department for providing a detailed document that answered their questions.

State Auditor

Auston Johnson, State Auditor, distributed a handout and briefly described the duties and responsibilities of the Office and showed performance accomplishments during FY08, including financial audits, performance audits, special projects and local government.

Mr. Johnson outlined some ways the Office is planning on meeting the proposed budget reductions, essentially eliminating some areas including review of local government audit report, providing accounting and budgeting training, reviewing CPAs' working papers, conducting performance audits, fraud audits and special investigations.

Mr. Johnson responded to questions raised by Subcommittee members.

Subcommittee members were asked to refer to the three handouts distributed at the beginning of the meeting. Gary Ricks, Fiscal Analyst, and Co-Chair Hutchings explained the handouts to the Subcommittee. Sen. Greiner stated that the Subcommittee was instructed to cut \$28 million by

the end of the day, which would be a 7.5% reduction in the budget.

Subcommittee members discussed ways they felt would best achieve these goals while still keeping the safety of the public first and foremost in their minds. An in-depth discussion ensued on how to best handle this process.

MOTION: Rep. Oda moved to request that the Chairs take a message to Executive Appropriations asking them to establish prioritizations by agencies and department functions by (1) Constitutionally-required functions; (2) core functions of State government which doesn't necessarily have to be constitutional; and (3) programs that generate revenues by percent of return on investments. If this Subcommittee were to reduce core functions, crime levels will be raised, it will reduce the threat of penalties and incarcerations to criminals (including early release), it will reduce intervention programs, treatment and recidivism and will be reducing justice to victims. There will not be enough future dollars to pull ourselves out of this abyss. We will also damage ourselves to try to recover from the trying economy. By taking a cut this large, it could be violating citizens rights, which could result in a high likelihood of lawsuits. The motion passed unanimously.

MOTION: Rep. Hutchings moved that if the percentage amount the Subcommittee is being asked to cut is reduced, (1) they would like to have the opportunity to re-prioritize the list based on the new lower amount, or (2) ask Executive Appropriations to share the burden across all agencies and not just have the agencies that did not make it to the top of priority list take the full brunt of the cuts and the other ones get spared.

SUBSTITUTE

MOTION: Rep. Aagard moved to have the Subcommittee make a recommendation to Executive Appropriations of a 2% General Fund cut across the board, for all agencies, for the rest of FY09, based on Rep. Oda's prior motion. The motion passed with Sen. Greiner voting in opposition.

A discussion ensued regarding making a motion on how to handle Add-back Priorities from the Fiscal Analysts gray-colored handout (a copy is attached to the back of these minutes).

At 6:00 p.m. Sen. Greiner recessed the meeting for 5 minutes while the Chairs talked with the Fiscal Analysts.

The meeting resumed at 6:06 p.m.

MOTION: Rep. Hutchings moved that the Add-back Priority List, as recommended by the Analysts, be accepted as prioritized. The motion passed with Sen. McCoy, Rep. Mascaro, Rep. Greenwood and Rep. Seelig voting in opposition.

MOTION: Sen. McCoy moved to adjourn.

Sen. Greiner adjourned the meeting at 6:07 p.m.

Sen. Jon J. Greiner, Co-Chair

Rep. Eric K. Hutchings, Co-Chair